



# Interim Audit Report of the Audit Division on Amodei for Nevada

(May 11, 2011 – December 31, 2012)

## Why the Audit Was Done

Federal law permits the Commission to conduct audits and field investigations of any political committee that is required to file reports under the Federal Election Campaign Act<sup>1</sup> (the Act). The Commission generally conducts such audits when a committee appears not to have met the threshold requirements for substantial compliance with the Act.<sup>2</sup> The audit determines whether the committee complied with the limitations, prohibitions and disclosure requirements of the Act.

## Future Action

The Commission may initiate an enforcement action, at a later time, with respect to the matter discussed in this report.

## About the Campaign (p. 2)

Amodei for Nevada is the principal campaign committee for Mark Amodei, Republican candidate for the United States House of Representatives from the state of Nevada, 2nd District, and is headquartered in Carson City, Nevada. For more information, see the Campaign Organization Chart, p. 2.

## Financial Activity (p. 2)

• Receipts	
○ Contributions from Individuals	\$ 612,917
○ Contributions from Political Committees	693,646
○ Transfers from Other Authorized Committees	956
○ Offsets to Operating Expenditures	4,039
<b>Total Receipts</b>	<b>\$ 1,311,558</b>
• Disbursements	
○ Operating Expenditures	\$ 1,122,607
○ Transfers to Other Authorized Committees	4,500
○ Contribution Refunds	2,350
○ Other Disbursements	1,250
<b>Total Disbursements</b>	<b>\$ 1,130,707</b>

## Finding and Recommendation (p. 3)

- Misstatement of Financial Activity

<sup>1</sup> On September 1, 2014, the Federal Election Campaign Act of 1971, as amended ("the Act"), was transferred from Title 2 of the United States Code to new Title 52 of the United States Code.

<sup>2</sup> 52 U.S.C §30111(b) (Formerly 2 U.S.C. §438(b)).

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# **Part I**

## **Background**

### **Authority for Audit**

This report is based on an audit of Amodei for Nevada (AFN), undertaken by the Audit Division of the Federal Election Commission (the Commission) in accordance with the Federal Election Campaign Act of 1971, as amended (the Act). The Audit Division conducted the audit pursuant to 52 U.S.C. §30111(b) (Formerly 2 U.S.C. §438(b)), which permits the Commission to conduct audits and field investigations of any political committee that is required to file a report under 52 U.S.C. §30104 (Formerly 2 U.S.C. §434). Prior to conducting any audit under this subsection, the Commission must perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act. 52 U.S.C. §30111(b) (Formerly 2 U.S.C. §438(b)).

### **Scope of Audit**

Following Commission-approved procedures, the Audit staff evaluated various risk factors and as a result, this audit examined:

1. the receipt of excessive contributions;
2. the receipt of contributions from prohibited sources;
3. the disclosure of contributions received;
4. the disclosure of individual contributors' occupation and name of employer;
5. the consistency between reported figures and bank records;
6. the completeness of records; and
7. other campaign operations necessary to the review.

## Part II

### Overview of Campaign

#### Campaign Organization

<b>Important Dates</b>	
• Date of Registration	May 9, 2011
• Audit Coverage	May 11, 2011 – December 31, 2012
<b>Headquarters</b>	
Carson City, Nevada	
<b>Bank Information</b>	
• Bank Depositories	One
• Bank Accounts	One
<b>Treasurer</b>	
• Treasurer When Audit Was Conducted	Nicola Neilon
• Treasurer During Period Covered by Audit	Nicola Neilon
<b>Management Information</b>	
• Attended Commission Campaign Finance Seminar	No
• Who Handled Accounting and Recordkeeping Tasks	Paid Staff

#### Overview of Financial Activity (Audited Amounts)

Cash-on-hand @ May 11, 2011	\$ 0
<b>Receipts</b>	
○ Contributions from Individuals	612,917
○ Contributions from Political Committees	693,646
○ Transfers from Other Authorized Committees	956
○ Offsets to Operating Expenditures	4,039
<b>Total Receipts</b>	<b>\$ 1,311,558</b>
<b>Disbursements</b>	
○ Operating Expenditures	1,122,607
○ Transfers to Other Authorized Committees	4,500
○ Contribution Refunds	2,350
○ Other Disbursements	1,250
<b>Total Disbursements</b>	<b>\$ 1,130,707</b>
Cash-on-hand @ December 31, 2012	\$ 180,851

## **Part III**

### **Summary**

#### **Finding and Recommendation**

##### **Misstatement of Financial Activity**

During audit fieldwork, a comparison of AFN's reported financial activity with its bank records revealed a misstatement of ending cash-on-hand in 2012. AFN overstated ending cash-on-hand by \$7,700. The Audit staff recommends that AFN amend its most recently filed disclosure report to correct the misstatement.

(For more detail, see p. 4.)

## **Part IV**

# **Finding and Recommendation**

### **Misstatement of Financial Activity**

#### **Summary**

During audit fieldwork, a comparison of AFN's reported financial activity with its bank records revealed a misstatement of ending cash-on-hand in 2012. AFN overstated ending cash-on-hand by \$7,700. The Audit staff recommends that AFN amend its most recently filed disclosure report to correct the misstatement.

#### **Legal Standard**

**Contents of Reports.** Each report must disclose:

- The amount of cash-on-hand at the beginning and end of the reporting period;
- The total amount of receipts for the reporting period and for the election cycle ; and
- The total amount of disbursements for the reporting period and for the election cycle; 52 U.S.C. §30104(b)(1), (2), and (4) (Formerly 2 U.S.C. §434(b)(1), (2), and (4)).

#### **Facts and Analysis**

##### **A. Facts**

During audit fieldwork, the Audit staff reconciled AFN's reported financial activity with its bank records for calendar years 2011 and 2012. This review indicated that the ending cash-on-hand balance in 2012 was overstated by \$7,700. The \$7,700 overstatement of the ending cash-on-hand balance in 2012 resulted primarily from unreported disbursements.

##### **B. Interim Audit Report & Audit Division Recommendation**

The Audit staff discussed the misstatement for 2012 with AFN's representative during the exit conference and provided copies of relevant work papers detailing the misstatement.

The Audit staff recommends that, within 30 calendar days of service of this report, AFN amend its most recently filed disclosure report to correct the cash-on-hand balance with an explanation that the change resulted from a prior period adjustment. Further, AFN should reconcile the ending cash-on-hand balance of its most recent report to identify any subsequent discrepancies that may affect the adjustment recommended by the Audit staff.